

Unique Appendices

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CR-05 Goal and Outcomes

Progress the state has made in carrying out its strategic plan and its action plan. 91.520(a)

CDBG- Of the five goals established in the consolidated plan:

\$1,619,518 in CDBG funds were awarded to six projects meeting the **Public Facilities / Infrastructure- Compliance Goal**. 2114 Idaho residents will benefit from these projects as they will help bring their public facilities systems (infrastructure, community facilities, public utilities) into compliance with environmental laws, federal and state standards, industry standards or best management practices. 801 of the residents are low-to-moderate income. The six projects consist of three wastewater systems, two water systems, and nursing home facility.

\$1,695,000 in CDBG funds were awarded to four projects meeting the **Public Facilities / Infrastructure – Rehabilitation Goal**. 27,854 Idaho residents will benefit from the rehabilitation, replacement, or remodeling of a public facility system. 16,702 of the resident are low-to-moderate income. The four projects consist of two water systems, one wastewater systems, and a fire station.

\$700,000 in CDBG funds were awarded to two projects meeting the **Public Facilities / Infrastructure – New Construction Goal**. 1,562 Idaho residents will benefit from projects that will construct new systems or facilities in their community. 812 of the residents benefiting are low to moderate income. The two projects consist of two water systems.

\$1,143,000 in CDBG funds were awarded to three projects meeting the **Economic Development – Job Creation Goal**. The projects extended or improved infrastructure systems that helped a business expand and subsequently create 94 jobs. 61 of the new jobs were taken by a low to moderate income individual.

\$700,000 in CDBG funds were awarded to two projects meeting the **Economic Development – Downtown Revitalization Goal**. 6,204 Idaho residents will benefit from the elimination of sub-standard infrastructure systems from their city's downtown redevelopment area.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

CDBG- See narrative above.

HOME- Provide Decent Affordable Housing

When the HOME program established its five-year housing goals in the 2015-2019 Consolidated Plan, eCon guidance indicated goals should be set based on the estimated total number of affordable units created when HOME funds were used. This number included not only the HOME-assisted units, but also Housing Trust Fund and Low-Income Housing Tax Credit programs. Accordingly, table #1 indicates the total number of affordable housing units all three programs completed when HOME funds were also used during the 2015 Program Year. Guidance for the 2015 eCon CAPER now indicates the Summary of Accomplishments and Con Plan Goals and Accomplishments reports should be used to report the total number of units created. These reports capture only the number of actual HOME-assisted units, not total units. Based on the goal established in the Five-Year Consolidated Plan, the number of completed rental units in the "Actuals" column is the total number of affordable units HOME helped to create, not just the HOME-assisted units.

The "Actuals" column for homebuyer activities reflects the number of homebuyer units completed during the 2015 Program Year (April 1- March 31), not the calendar year (January 1- December 31). Attached is the 2015 Summary of Accomplishments created at the end of the 2015 Program Year. It reflects the number of HOME- assisted units completed during the 2015 Program Year

Table #2- Strategic Plan to Date- Provide Decent Affordable Housing

During the 2015 Program Year, IHFA determined a tenant-based voucher program was not the best use of the HOME program's limited resources at this time. This is based, in part, because the statewide Housing Needs Assessment(conducted as part of the Consolidated Planning process) indicated the creation and preservation of rental housing was a higher priority housing need.

In the early spring of 2015, when the 2015-2019 Five-Year Consolidated Plan was submitted to HUD-CPD, IHFA anticipated an allocation of National Housing Trust funds (HTF) would be received at some point during the current Consolidated Plan. IHFA did not receive an allocation of HTF during the 2015 program year. However, as of the drafting of this CAPER IHFA has been notified it will receive its first allocation sometime during the 2016 Program Year. Accordingly IHFA anticipates it will receive approximately \$12 million during the remaining four years of the current Consolidated Plan. Because IHFA did not receive an HTF allocation during PY 2015, it is unable to report any HTF outcomes.

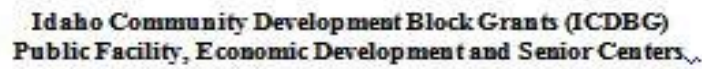
CR-15 Resources and Investments

Identify the geographic distribution and location of investments

HUD has designated the following communities as Idaho Entitlement communities. Accordingly, Idaho state programs do not award to the following cities: City of Boise (HOME and CDBG), Pocatello (CDBG), and Nampa (CDBG, Meridian (CDBG), Coeur d'Alene (CDBG), Lewiston (CDBG), and Idaho Falls (CDBG)

Neither IHFA nor IDC allocate HOME and CDBG program funds based on geographic distribution. Both agencies utilize a competitive scoring application process that awards funds to projects based on demonstrated need, viability, sustainability, and overall strength of application.

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Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

CDBG

IDC received \$7,822,995 in CDBG funds for PY 2015. The state and local communities leveraged \$56,805,701 to match CDBG funds that were used to fund projects and state administration activities. For every CDBG dollar invested, IDC and local communities leveraged \$7.26 to match the 2015 HUD CDBG grant award. In regards to IDC program administration, IDC has provided \$156,459 in match to the CDBG program.

In regards to project match, the CDBG program does not require communities to provide any match in order to receive an ICDBG grant, but the state's competitive grant process does award points to communities who do provide match. As a result, many of the projects that receive ICDBG funding do leverage matching funds. The table below provides a summary of sources of match, the match that was leveraged, and the strategies that were addressed.

2015 LEVERAGE		
Type/Source	Match Amount	Goals Addressed
<i>Local:</i> Cash, bonds, in-kind	\$35,130,746	<ul style="list-style-type: none"> Public Facilities Infrastructure-Rehabilitation Public Facilities Infrastructure-Compliance Public Facilities Infrastructure-New Construction Economic Development-Job Creation. Economic Development- Downtown Revitalization
<i>State:</i> Grants from Idaho Dept. of Water Resources and Department of Environmental Quality	\$31,000	<ul style="list-style-type: none"> Public Facilities Infrastructure-Rehabilitation Public Facilities Infrastructure-Compliance Public Facilities Infrastructure-New Construction Economic Development-Job Creation. Economic Development- Downtown Revitalization
<i>Federal:</i> Grants from US Department of Agriculture-Rural Development	\$16,060,550	<ul style="list-style-type: none"> Public Facilities Infrastructure-Rehabilitation Public Facilities Infrastructure-Compliance Public Facilities Infrastructure-New Construction Economic Development-Job Creation. Economic Development- Downtown Revitalization
<i>Private:</i> Private Business, Foundation Grants	\$5,582,775	<ul style="list-style-type: none"> Public Facilities Infrastructure-Rehabilitation Public Facilities Infrastructure-Compliance Public Facilities Infrastructure-New Construction Economic Development-Job Creation. Economic Development- Downtown Revitalization
Total	\$56,805,071	

CR-35-Other Actions

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

Caveat- The information and findings contained in the [2011 Analysis of Impediments](#) (AI) represent a point-in-time survey and analysis; individual counties may have subsequently modified policies and procedures, and individual cities or communities may have policies and procedures that differ substantially from their surrounding county. IHFA and Commerce are in the process of updating the AI and data related to regulatory barriers.

Specific language in the 2011 AI states: “Idaho counties’ land use regulations and zoning policies *may* create barriers to fair housing,” The AI did not identify any widespread ‘pattern or practice’ impediment caused by land use or zoning policies, although a few counties were encouraged to amend their group home ordinances. The 2011 AI provided additional general and specific guidance for counties to expand housing choice in [SECTION VI. Land Use Regulations as Barriers to Affordable Housing](#)

As has been stated previously, IHFA is a quasi-public, not-for-profit corporation, established by legislation, and empowered to act as a financial intermediary and administrator of federal housing programs as directed by the State of Idaho. IHFA receives no state funds in its operations and is not a part of Idaho State government. IHFA's mission is to sustain and increase the supply of affordable housing in Idaho.

IHFA- To our knowledge, no Idaho City or county currently enforces inclusionary zoning. Lawsuits from property owners and regional realtor associations led to a decision by the 4th District Court that found against local governments seeking to implement zoning or development fees to support affordable housing. This decision had a chilling effect on local support of affordable housing, and we are unaware of any other attempts by any local governments since the ruling.

Should the opportunity arise for re-consideration of inclusionary zoning, IHFA would support and encourage it, as appropriate.

Outreach and Education. We have taken significant actions to address concerns related to potential regulatory barriers, land-use and zoning regulations addressed in the 2011 AI and HUD/FHEO comments:

- Distributed the *Workforce Housing Toolkit: Simple Steps to Stronger Communities* to local governments and housing advocates through the Idaho Rural Partnership, Idaho Community Review process, regional housing discussions, our 2015 Conference on

Housing and Economic Development and the 8th Annual Idaho Planning Conference. This toolkit recommends evaluating strategies such as assessing and updating zoning policies; supporting diversity through zoning; and realigning impact fee structures to support diversity, among other concrete and achievable steps available to local government and developers.

- IHFA staff and partners have created and shared several targeted presentations to educate policy makers and planning professionals during the most recent program year:

Idaho Rural Partnerships (IRP) Board Meeting – Boise, ID 4/8/2015 (IRP members represent federal, state and local government agencies, state legislature, U.S. Senate and Congress, and private industry)

- *Housing and Shelter: 2015 Challenges for Idaho*

Spring Housing Roundtables – Coeur d’Alene, Lewiston, Pocatello, Twin Falls and Nampa, ID various dates from April 1 to

- *Exploring small-footprint housing, Housing First, and Permanent Supportive Housing models in other jurisdictions, and potential options for Idaho.*

University of Idaho School of Architecture/Urban Design Center Boise, ID Various dates between 5/10/2015 and 3/30/2016 (Architecture and Planning students)

- *Housing Types and Typologies, Fair Housing Implications of Design and Construction, and Universal Access*

2015 Central Addition Master Plan Advisory Committee – Boise, ID 4/15/2015 to 3/31/16

- Representing housing and fair housing perspectives during the ongoing master planning process for Boise Central Addition LIV District. Promoting distributed low-cost housing options and district accessibility to local planners, business owners and architects as downtown core undergoes significant redevelopment.

2015 Fair Housing Forum Conference and Training – Boise, ID 4/14, 15/2015

- *Where Municipal Activities and Fair Housing Intersect*

2015 Conference on Housing and Economic Development – Boise, ID 10/6, 7/2015

- *Disparate Impact-Supreme Court Rethinks Fair Housing Law*
- *What’s the deal with Tiny Houses?*

8th Annual Idaho Planning Conference – Sandpoint, ID Oct 9, 2015

- *Get Small, Think Big: Housing for a new economy and legal landscape.* Panel discussion on the move toward creating affordability through building and zoning modifications, and implications for planners from the Supreme Court decision on disparate impact. (2015 APA Idaho planning conference)

- Distributed information on expanding housing choice (including an introduction/overview of www.fairhousingforum.org, www.housingidaho.com, and the importance of housing diversity and access) on a regular basis at training sessions for case manager and service providers, and at housing and community stakeholder events during 2015/2016, community reviews in Preston and Fairfield. Information included a subset of information from the 2011 AI entitled *[What Every County and City Needs to Know](#)*. (search title at www.fairhousingforum.org)

IHFA and IDC will continue to work with diverse stakeholders to promote awareness of issues raised in the 2011 Analysis of Impediments (AI). Planned activities include continued/regular presentation and training events to P&Z officials, policy makers and others through workshops and events sponsored by the Association of Idaho Cities, the Idaho Chapter of the American Planning Association, the NW Community Development Institute, the Idaho Rural Partnership and the Idaho Community Review. IHFA also offers to present this information to local governments on request.

Actions not taken during Program Year. Idaho did not see changes to allow Local Option Tax or to pursue substantial equivalency between state and federal fair housing laws.

IHFA has however reached out to legislators to discuss Idaho's current lack of substantial equivalency to federal fair housing law and the implications for the state and its residents. To our knowledge, the only two barriers to substantial equivalency involve inclusion of familial status as a protected class under state fair housing law, and subpoena authority for the Idaho Commission on Human Rights (or alternate state agency). We will continue our outreach and education in this area prior to the 2017 legislative session.

Assuming sponsors come forward to carry a related bill, IHFA and our partners in the Fair Housing Forum would be supportive of this change.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

CDBG-To help build local government capacity to manage CDBG projects, IDC will train consultants to become CDBG grant administrators, instead of relying on resource-limited cities and counties to ensure requirements and rules are met. To build capacity IDC will conduct its biannual certified grant administration training in September 2016. The two day training focuses on CDBG program requirements such as national objectives, eligible activities, environmental reviews, labor standards, property acquisition, procurement, financial management, fair housing, 504 / ADA, and civil rights. As part of the certification requirements prospective grant administrators are required to successfully complete an exam. IDC expects 60 grant administrators to attend the training.

IDC staff continued to offer training and technical assistance to cities and counties, grant administrators, and design professionals. In the summer of 2015 IDC held CDBG application

workshops in various locations across the State and provided ongoing one-on-one technical assistance to communities. IDC has available at its website <http://commerce.idaho.gov/> both the CDBG grant administration manual and application handbook.

Actions taken to reduce lead based paint hazards. 91.220(k) 91.320(j)

CDBG-IDC requires all applicants to review projects for lead-based paint hazards and provide mitigation measures where applicable.

IHFA continues to support the education of individuals and communities regarding the hazards of lead-based paint. Idaho has chosen not to adopt its own Lead-based paint hazard reduction program. Because of this, contractors, developers, real estate agents, and lenders who work with pre-78 housing, must adhere to the EPA rules and oversight. This includes EPA- certified trainers, renovators, risk assessors, and paint testers. In addition, HUD has its own Lead Safe Housing Rule that also applies to pre-78 housing activities. In many instances, HUD's LSHR has more stringent requirements than the EPA Renovation, Repair, and Paint Rule.

Action: IHFA continues to help reduce lead based paint hazards in Idaho by providing HOME funding to pre-78 housing. HOME funds help insure the appropriate level of lead hazard identification and reduction activities are undertaken. As applicable, these activities help indentify, reduce, or eliminate lead-based paint hazards. Beginning January 1, 2016 IHFA temporarily suspended all pre-78 housing from the HOME program. When EPA and HUD are consistent with their lead-based paint rules, IHFA will consider funding these units once again.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

CDBG-IDC's anti-poverty strategy consists of four procedures. First, IDC will provide CDBG funds to cities and counties who construct public infrastructure or facilities that lead to a business's ability to create or retain jobs. At a minimum, 51% of these jobs must be taken by low-to-moderate income (LMI) individuals, including individuals at poverty level. Jobs taken by LMI individuals should increase their income and help them develop more marketable skills as well as their confidence. IDC is creating opportunity for low income and poverty individuals.

Second, the implementation of HUD's Section 3 Program. The program fosters local economic development and individual self-sufficiency for low income persons in the solicitation of professional services and construction work needed to complete ICDBG projects. The purpose of these requirements is to ensure that a greater share of economic opportunities generated by ICDBG funding is targeted to low income families who live in the grantee's jurisdiction.

ICDBG funded grantees and their sub-recipient, contractors or businesses must make a good faith effort to award contracts to Section 3 business concerns and utilize Section 3 area residents as trainees and employees.

Third, IDC advertises ICDBG funded projects through Idaho's Procurement Technical Assistance Center and Disadvantage Business Enterprises to ensure professional and construction services on CDBG funded projects are directly solicited to Disadvantaged and Women Business Enterprises, HUB Zone businesses, SBA Section 8(a) businesses, disabled veteran owned businesses, veteran owned businesses, and minority owned businesses.

Fourth, IDC provides additional points to job creation projects that are located or sited in the Small Business Administration's HUB zones. HUB zones are historically underutilized business zones that typically have higher rates of unemployment or lower per capita income than national levels.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

CDBG-IDC believes that the department does not have gaps in its institutional structure or in the delivery of the ICDBG program. The ICDBG program strengths include the administration of the CDBG program for over 30 years and maintain consistent rules, yet adapting to necessary program changes. IDC's certified grant administration program has also established a network of experienced and knowledgeable consultants that help cities and counties manage a CDBG project. In addition, IDC's CDBG staff provides on-going technical assistance.

Staff specialists provided on site-technical assistance to 67 cities and counties during PY 2015. Technical assistance activities can range from strategic planning and project development to on-site training.

IDC staff also continued to work to improve the amount and quality of data available on the IDC website. In addition, IDC posts the Consolidated Plan, Annual Action Plan, CAPER, and CDBG application handbook and program administration manual.

IDC continues to hold quarterly meeting with US Department of Agriculture-Rural Development, Army Corps of Engineers, Idaho Department of Environmental Quality, the Environmental Finance Center, and representatives from economic development districts to discuss community needs and coordinate efforts to meet those needs.

Over a five-year period IDC has provided grant administration training, application trainings, Rural Development Forums, funding for the Northwest Community Development Institute and one-on-one technical assistance to local governments, non-profits, grant consultants, and design professionals in efforts to ensure the on-going and future effective use of CDBG funds.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

IHFA and IDC will continue to facilitate the coordination and participation between public and private housing and in stakeholder forums during PY2015 to enhance collaboration and coordination of public, private and faith based service providers for housing, economic development, and other services:

- The Housing Coordination and Policy Forum (www.ihfa.org/research_hirc_forum.asp)
- Rural Forums
- The Idaho Community Review (www.idahocities.org)
- Idaho Homeless Coordinating Council
- Idaho's ADA Task Force
- Coalition for Idahoans with Disabilities
- Idaho Hispanic Profile Project
- IHFA Funding Allocation Committee
- Idaho Commission on Aging
- State of Idaho HIV/STD Planning Committee
- Cities and counties
- Local planning districts
- USDA-RD

Both IHFA and IDC are participating members of the Fair Housing forum, which works with members of various agencies throughout the State of Idaho to address fair housing concerns.

The Idaho Balance of State Continuum of Care was awarded a planning grant during both the 2013 and 2014 program funding competitions. The non-renewable planning grant is intended to aid COC's in expanding current activities and establish governing structures and systems which ensure proper oversight and coordination of HUD-funded homeless programs. Activities associated with the 2013 award began in late 2014. The activities identified by the BOS COC are coordination activities, project evaluation, participation in the consolidated plan, COC application activities, and developing a COC system. Several of these activities will include efforts that will enhance coordination between public and private housing and service agencies. The COC will make itself more visible in regional planning and advocacy bodies to ensure all agencies and individuals connected to homelessness issues is familiar with resources available. This will promote and foster relationships between housing and service providers.

The 2014 grant is being used for similar activities. This grant began in late 2015. HUD has also conditionally awarded a 2015 COC Planning grant to continue these efforts. ESG and HOPWA providers will be included in the COC's efforts.

The BOS COC is working with a HUD contractor to identify points of entry which may increase the Continuum's ability to redirect individuals and families away from becoming homeless. The effort will include a collaboration of state agencies, homeless network providers, both continuums of care in Idaho, and all others who may meet, treat, serve, or interact with the homeless on a regular basis. The coordination will attempt to bring health, housing, social service, employment, education, and youth service providers together to discuss the important issue of homelessness, and, while making linkages between the services represented, develop a plan that addresses the need to prevent and reduce homelessness.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

Fair Housing Impediment No. 1- Idaho counties' land use regulations and zoning policies may create barriers to fair housing.

Strategy	Target date Q1 / Q2 Q3 / Q4	Quantitative estimate (#/units)	Cost estimate
1a	Ongoing	<ul style="list-style-type: none"> • Distribute 1,000 guides • Two outreach events/ quarter 	

Strategy Description

During the ranking and review process for ICDBG public facilities and housing projects, IDC will continue to award additional points to projects in communities that have adopted the 2006 International Building Code, which incorporates fair housing and accessibility standards. IDC has also updated its ICDBG application to include information about residential zoning of group homes and encourages cities and counties to amend building codes as necessary to include accessibility standards for new residential construction.

Strategy	Target date Q1 / Q2 Q3 / Q4	Quantitative estimate (#/units)	Cost estimate
1a	Ongoing	15 HOME rental project applications	No cost

Strategy Description

New Construction rental projects are reviewed for compliance of Site and Neighborhood Standards (24 CFR Part 92.202). HOME-Assisted rental projects must comply with federal laws, regulations and Executive Orders. HOME rental housing applications require proof an Affirmatively Furthering Fair Housing Resolution and Fair Housing Plan has been adopted by the potential project's unit of local government.

Strategy	Target date Q1 / Q2 Q3 / Q4	Quantitative estimate (#/units)	Cost estimate
1b	Ongoing	15 multi-family project applications per year/ 300 units	\$90,000
<p>Strategy Description</p> <p>HOME multifamily rental housing applications require a market study that includes demographic mapping of the project's primary market area and analyzes the ratio of low-income residents to overall resident population, ratio of number of affordable housing units to total units, location of essential services, economic opportunities, overall community/economic profile and outlook, unemployment rate, housing supply, and other affordable housing project/units in the area.</p>			

Strategy	Target date Q1 / Q2 Q3 / Q4	Quantitative estimate (#/units)	Cost estimate
1c	Ongoing	<ul style="list-style-type: none"> Distribute 1,000 guides/year Two outreach events/ quarter 	\$100/yr.
<p>Strategy Description</p> <p><i>Caveat.</i> Information and findings contained in the <u>2011 Analysis of Impediments</u> represent a point-in-time survey and analysis; individual counties may have subsequently modified policies and procedures, and individual cities or communities may have policies and procedures that differ substantially from their surrounding county. IHFA and Commerce are in the process of updating the AI and data related to regulatory barriers</p> <p>The specific language in the 2011 AI states: “Idaho counties' land use regulations and zoning policies <i>may</i> create barriers to fair housing,”. A few counties were encouraged to amend their group home ordinances. The AI provided additional general and specific guidance for counties to expand housing choice in <u>SECTION VI. Land Use Regulations as Barriers to Affordable Housing</u> of the 2011 AI.</p> <p>As has been stated previously, IHFA is a quasi-public, not-for-profit corporation, established by legislation, and empowered to act as a financial intermediary and administer federal funds as directed by the State of Idaho. IHFA uses no State revenues in its operations, and is not a part of state government. IHFA's mission is to sustain and increase the supply of affordable housing in Idaho.</p> <p>To our knowledge, no Idaho city or county currently enforces inclusionary zoning. Lawsuits from property owners and regional realtor associations led to a decision by the 4th District Court that found against the local governments seeking to implement zoning or development fees to support affordable housing. This has had a chilling effect, and we are unaware of other attempts having been made. However, should the opportunity arise for re-consideration of inclusionary zoning, IHFA would support and encourage that change as appropriate.</p>			

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- IHFA staff and partners have created and shared several targeted presentations to educate policy makers and planning professionals during the most recent program year:

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- *Housing and Shelter: 2015 Challenges for Idaho*

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- *Exploring small-footprint housing, Housing First, and Permanent Supportive Housing models in other jurisdictions, and potential options for Idaho.*

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- *Housing Types and Typologies, Fair Housing Implications of Design and Construction, and Universal Access*

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IHFA and IDC will continue to work with diverse stakeholders to promote awareness of issues raised in the 2011 Analysis of Impediments (AI). Planned activities include continued/regular presentation and training events to P&Z officials, policy makers and others through workshops and events sponsored by the Association of Idaho Cities, the Idaho Chapter of the American Planning Association, the NW Community Development Institute, the Idaho Rural Partnership and the Idaho Community Review. IHFA also offers to present this information to local governments on request.

Fair Housing Impediment No. 2- Idaho's state fair housing law does not provide protection based on familial status.

Strategy	Target date Q1 / Q2 Q3 / Q4	Quantitative estimate (#/units)	Cost estimate
2a	Ongoing	N/A	\$0

Description

Idaho fair housing law lacks 'substantial equivalency' with the federal fair housing law for two reasons: state law does not recognize 'familial status' as a protected class, and the state has not granted subpoena authority to the Idaho Human Rights Commission (IHRC). IHRC would be the state agency responsible to apply for FHAP funds that allow the agency to receive, investigate, and take enforcement actions in relation to complaints of federal fair housing violation. Absent IHRC subpoena authority, those actions default to the Intermountain Fair Housing Council (IFHC) funded under a FHIP-PEI grant. In the view of the AI and of IHFA, there is no impediment to fair housing choice resulting from the current process.

IHFA has provided information on 'substantial equivalency' to lawmakers upon request at various times over the past decade. If legislation were sponsored that supported adding familial status to Idaho's fair housing law, IHFA would fully support it. Legislative history clearly indicates an unwillingness to grant subpoena power to the IHRC. If however, that debate arose again IHFA would support changes that would allow Idaho to achieve Fair Housing 'substantial equivalency.'

Fair Housing Impediment No. 3-State policies that limit local government ability to raise revenues for housing activities may restrict the ability of counties to address impediments.

Strategy	Target date Q1 / Q2 Q3 / Q4	Quantitative estimate (#/units)	Cost estimate
3a	Ongoing	N/A	\$0/yr.

Description

Idaho's local governments do not have the authority to adopt local option taxation. While local option taxation might provide a direct tool for accumulating and funding affordable housing in high-cost areas, tax increases are historically unsuccessful at the state legislative level. There are other tools for creating resources for affordable housing financing. To that end, some areas use Urban Renewal Agencies. IHFA's organizational structure supports and encourages tools for resource development as necessary to increase the supply of affordable housing in Idaho. With no clear illustration of fair housing impediments or barriers resulting from the current tax policy, the only realistic action step for IHFA to undertake is to support and educate local officials about the tools available to help increase community viability and workforce diversity.

Because IHFA is neither a governmental entity nor an enforcement entity and functions as a non-profit financial intermediary, the actions IHFA employs must be realistic to Idaho's business environment. These actions currently focus on fostering cross-sector community partnerships, which will increase awareness of fair housing law and issues, and encourage financial collaborations that support the costs associated with preserving and expanding Idaho's inventory of affordable housing. Until or unless federal laws or HUD regulations specifically require HOME Grantees to propose legislation and/or restricts federal resources from being utilized in communities that will not change or create zoning ordinances that meet HUD's satisfaction, IHFA is not empowered to engage more aggressively. IHFA can only educate and support expansions of current local and state policy where practical and realistic.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures that will be used to monitor activities carried out in furtherance of the plan and will be used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and comprehensive planning requirements.

CDBG- Monitoring

IDC monitors all CDBG funded projects to ensure compliance with applicable program rules and regulations. The IDC monitoring process starts before the actual funding of an application and continues until project closeout. This dynamic process helps to ensure projects meet program requirements and improves the chances that any violations or potential violations are identified and corrected.

Pre-Development Monitoring:

Local governments who anticipate applying for CDBG funds are encouraged to contact their regional IDC specialist. IDC specialists provide recommendations and technical assistance to local governments to help them understand the CDBG program requirements. Pre-development reviews also provide IDC an understanding of the potential projects and an early assessment to determine if it will meet the CDBG goals and regulations.

Application Monitoring:

During the review of the applications, IDC staff first determines if the application meets the required eight threshold factors, which includes national objectives and eligible activities. If the application meets the eight threshold factors, further review of the application continues to determine if the project will meet the program goals and strategies, procurement rules, acquisition and relocation requirements, citizen participation, and an assessment of the environmental review requirements. Local governments' accomplishments towards furthering fair housing and accessibility (504) standards are also reviewed.

Generally, IDC conducts a monitoring of the environmental review conducted by the local government prior to execution of the IDC contract. If the environmental review is not completed before contract execution, it is monitored prior to the release of funds.

Project Monitoring:

IDC conducts a risk assessment of each project, utilizing the department's Determination of On-site Monitoring criteria to establish if the project will require on-site monitoring or if the desk monitoring process will suffice. IDC monitors all CDBG funded projects and reviews the

Grantee's financial audits. During the course of a project IDC, specialists are continually monitoring the following applicable project components:

- | | | |
|-----------------------|---------------|---------------------------|
| -Financial Management | -Procurement | -Labor Standards |
| -Environmental | -LEP | -Acquisition & Relocation |
| -Civil Rights | -Fair Housing | -Citizen Participation |
| -504 Standards | -Performance | |

IDC continues to update its project-monitoring guide that is required to be completed by staff project specialist prior to closeout. IDC specialists approve every CDBG request for payment. Requests for payment are required to be supported by an invoice and executed contract. IDC has an established process of receiving and reviewing a local government's independent financial audit for any open project or project closed out within one year. The audit is reviewed by IDC to determine if there are any findings and if so do they affect the CDBG funds. IDC has also implemented an audit checklist to help ensure a grantee's compliance with 2 CFR Part 200.501 Audit Requirements.

On-Site Monitoring:

IDC conducts an onsite monitoring of at least 25% of the CDBG funded projects for each program year. On-site monitoring consists of review of the grantee's project files, interviewing grantee staff, site observation, and exit conference.

Minority Business Outreach:

ICDBG funded grantees and their sub-recipient, contractors or businesses must make a good faith effort to award contracts to Section 3 business concerns and utilize Section 3 area residents as trainees and employees.

IDC advertises ICDBG funded projects through Idaho's Procurement Technical Assistance Center and Disadvantage Business Enterprises to ensure professional and construction services on CDBG funded projects are directly solicited to Disadvantaged and Women Business Enterprises, HUB Zone businesses, SBA Section 8(a) businesses, disabled veteran owned businesses, veteran owned businesses, and minority owned businesses.

Idaho Housing and Finance Association

HOME

IHFA-HOME Department is responsible for ensuring HOME-assisted activities are monitored for HOME and IHFA compliance. Legal regulatory and loan document include HOME, federal, state, local, IHFA requirements, as well as remedies for breach of contract. A written agreement with the owner is executed prior to the disbursement of HOME funds, as described at §92.254 for homebuyer activities and §92.504 for rental activities. For HOME activities that involve development (rehabilitation or construction), IHFA-HOME Department is responsible for

ensuring a project is progressing to completion in a timely manner. This inspection schedule includes an initial, progress, and a final inspection prior to sale or completion in IDIS.

Homebuyer Properties Activities

For a homebuyer properties activity, when the development phase takes longer than 60 days from the initial inspection to the completion inspection, IHFA will also conduct a progress inspection.

During the period of affordability, IHFA-HOME monitors all HOME-assisted homeowner units annually to determine the homebuyer continues to reside in the unit as a principle residence. This requirement is described in each homebuyer's Occupancy Certification and their Deed of Trust. If it is determined a homebuyer no longer resides in the HOME-assisted as a principle residence during their period of affordability and hasn't received a military or full-time student exception from IHFA-HOME, IHFA will take steps to get the homeowner to return to the HOME-assisted unit. However, if the homebuyer does not return to the unit as their principle residence, IHFA will take appropriate action to recover the HOME funds invested in the unit. This actions are identified in the HOME Occupancy Certification and Deed of Trust Note.

Rental Housing Activities

IHFA- Compliance department conducted compliance monitoring within 12 months of completion of all new rental projects and all other rental projects, following a 3-year inspection schedule, or as otherwise indicated by IHFA. During the 2015 Program year, IHFA compliance department conducted physical inspections on scheduled properties to ensure continuing compliance with state and local housing code and HOME's property standard. In addition, they reviewed and approved individual owner's annual certification of continuing compliance with HOME rent restrictions, as well as HOME income limits, and continuing suitability for occupancy. In addition, owners were required to certify they made reasonable attempts to rent all vacant low-income units before units of comparable size to tenants who did not have qualifying income. Also, owner's adherence to HOME floating or fixed units rule and application, and any cross-cutting laws and regulations. HOME rental housing compliance monitoring policies and procedures are identified in the IHFA Compliance Monitoring Manual.

Risk-based Financial Assessment

During PY 2015, IHFA-HOME assessed the financial viability of HOME-assisted rental projects following written procedure. The assessment included input from the IHFA Compliance Staff based on physical inspections, tenant file reviews, and owner certification of continuing compliance. The following projects have been determined to have a greater than average risk:

- Projects within 5 years of the end of the HOME affordability period

- Projects with HOME loan terms of Due-on-Sale or Net Operating Income (NOI)
- Projects on the 'watch' list, as determined by IHFA Compliance Staff
- Projects with inconsistent or nonpayment history
- Projects with 10 or more HOME units, which require a HUD mandated financial assessment

The most current financial statements are reviewed using a Tier 1 Easy Risk Assessment Tool (Easy RAT). The quick financial calculation helps determine two aspects: Is the project generating a positive cash flow; is there available cash sufficient to pay accounts payable. Consideration is given for other issues such as whether the auditor/accountant has concerns or required replacement reserve deposits are adequate.

The result of the Easy RAT is a 'Pass' or 'Fail', which determines the next step:

Projects that Pass the Easy RAT and have no other significant areas of concern are determined to be in a stable financial position. Additional review may be conducted because of other specific triggers.

Projects that Fail the Easy RAT are further assessed, beginning with Tier 2 Assessment. This phase looks at factors beyond simply operating cash and short-term debt. Aspects such as vacancy rate, HOME unit mix, location, and geographic factors, are reviewed for their impact on rental demand.

In some cases, based on the Tier 2 Assessment outcome, a historical spreadsheet may be created. The purpose of this additional assessment is to provide a comprehensive review from the perspective of the project. It may provide options and recommendations for IHFA and/or the project Owner/Manager.

The IHFA- HOME Department is ultimately responsible for ensuring the compliance of all HOME-assisted activities.

CHDOs

IHFA certifies all CHDOs to ensure they meet CHDO requirements each time HOME funds are committed to an activity. For the annual Operating Assistance Grant, each CHDO is required to submit all supporting documentation for each CHDO requirement. Then, throughout the year, prior to committing CHDO funds to a CHDO-eligible development activity, the CHDO is certified (again). CHDO-eligible development activities are reviewed approved and monitored like every other HOME activity. Because HOME requirements regarding CHDO ownership throughout the entire period of affordability, IHFA has determined it will not long use CHDO Set-aside funds for rental housing activities. Compliance monitoring and inspections for CHDO Set-aside activities follow the same procedures as all other HOME-assisted activities, both during acquisition and rehabilitation/construction, and during the HOME Period of Affordability.

ESG

Subrecipient Monitoring Policy

As stated in CFR 578.23(c)(8), HUD requires recipients, which includes IHFA as the Collaborative Applicant of the Balance of State Continuum of Care, to monitor all subrecipients at least annually. Additionally, IHFA is responsible for monitoring ESG and HOPWA subrecipients. The process used to monitor is designed to ensure that each subrecipient is structured and operated in a manner that ensures appropriate fiscal and operational oversight.

IHFA will meet this requirement through a structured process of Risk Assessment resulting in subrecipient monitoring plan through On-Site Monitoring, Remote Monitoring, and Desk Monitoring in which monitoring of Continuum of Care subrecipients will be integrated with IHFA monitoring of ESG and HOPWA subrecipients, as described in the Monitoring Procedure Attachment to this Policy and Procedure Manual.

Monitoring Procedures

The following timeline will be followed:

Risk assessments will start in October and be completed by the end of November.

An annual schedule of monitoring will be completed by end of December.

Contact with subrecipients regarding monitoring will be initiated in January with an informal email notice.

Monitoring will begin in March and be completed by the end of September.

The following types of monitoring will be conducted according to a prescribed selection process:

On-site Monitoring: 35% of projects with the highest risk assessment score, and those that have not been monitored on-site in the past three years or have started a new grant that has not yet been monitored, will experience an on-site monitor. IHFA staff will visit the agency/facility to conduct HQS inspections. All agency information, financial information, and participant files will be uploaded to a virtual portal to allow IHFA staff review to take place at IHFA's office. At least 20% of participant files (but no fewer than 5) from the review year will be monitored.

Remote Monitoring: The next 35% of the projects ranked by risk assessment score will be subject to remote monitoring. IHFA staff will review agency information, financial information, and participant files at IHFA's office. At least 10% of participant files (but no fewer than 3) from the review year will be monitored.

Desk Monitoring: The remaining projects will receive a desk monitor. Only agency and financial information will be reviewed by IHFA at IHFA's office.

The following principles apply to the monitoring process:

Risk Assessment scoring results will be separated by subrecipient.

All monitoring notices will be sent out at least 45 days prior to monitoring dates.

First time monitoring of a subrecipient and new projects will emphasize technical assistance and instructional material. The first monitor of new subrecipients or projects will always include on-site monitoring.

On-site monitoring of a subrecipient will occur at least once every 3 years regardless of risk assessment score.

If an agency has on-site monitoring for one project, monitoring for all of the agency's projects may occur on-site; however, the total number of files reviewed and inspections conducted will be determined by the type of monitoring for each project. See Onsite Monitoring Process attachment for more information.

Monitoring staff will be assigned as follows:

Remote and Desk Monitoring: One of the following staff members will perform this task: Special Needs Grant Coordinator, Senior Special Needs Grant Coordinator, and Homeless Programs Coordinator.

On-site Monitoring: Two of the following staff members will perform this task: Special Needs Grant Coordinator, Senior Special Needs Grant Coordinator, and Homeless Programs Coordinator.

IHFA requires subrecipients to upload requested documentation to a secure virtual portal which IHFA staff will access to retrieve said documentation. Reviews will be completed and finding letters issued within three weeks. Any hard copies of agency or participant file information will be shredded upon completion of monitoring to maintain privacy and confidentiality.

The subrecipient will receive an informal list of expected findings, concerns, and items that require further review at the exit interview. Subrecipients will be given 30 days to respond to each finding or concern identified. See Onsite Monitoring Process attachment for more information.

CR-50 - HOME 91.520(d)

Other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

During the 2015 Program IHFA conducted (1) Ongoing exploration regarding the creation and preservation of permanent affordable rental housing throughout Idaho. IHFA's HOME program works in partnership with IHFA's LIHTC program for all multifamily rental activities. This includes

the application, review, funding of the development process, as well as long-term compliance. It is noted this year the IRS adopted a permanent 9% credit. This has caused a decrease in requests for HOME gap financing in LIHTC projects, and (2) Exploration of a HOME Tenant-Based rental assistance program was placed on hold. After consideration, IHFA has determined the best use of HOME funds is the creation and preservation of affordable housing; and (3) Continued to provide operating assistance grants to non-profit, community-based housing development organizations (CHDOs) to help with day-to-day operations and build organizational capacity to own/develop affordable rental housing and homebuyer properties.

When HOME funds are used to acquire, construct, or rehabilitate a unit of HOME-assisted housing, the housing will be required to remain affordable for a specified period of time. If this requirement is not fulfilled, the IHFA must repay the HOME funds to HUD [§92.504 (c)(ii)]. The HOME affordability requirements will be enforced through deed restriction or covenant running with the land. The period of affordability is determined based on the HOME funds invested in the activity as defined at §92.254(a) (c)(3)(ii) and §92.252. To help ensure compliance with HOME requirements, IHFA conducted annual occupancy monitoring on HOME-assisted homeowner units to determine the homebuyer continues to occupy the HOME-assisted unit as a principal residence. IHFA also conducted rental housing compliance monitoring, which included on-site physical inspections as required [§92.504 (d)(ii)(A-D(iii)&(2))] to help ensure the property was maintained according to HOME property standards. IHFA also monitored tenant files and other documents to determine the property is in compliance with the HOME rent restrictions, tenant income restrictions, and lease requirements. IHFA also conducted a financial risk assessment on all HOME-assisted properties with 10 or more HOME units. Based on this annual financial risk assessment and compliance monitoring IHFA took appropriate action(s) as necessary, to bring individual HOME-assisted properties into compliance. See 2015 HOME Compliance Monitoring Report.

~End~